

Building Blocks for Effective Housing Elements

Housing Needs

Overpayment and Overcrowding

Government Code Section 65583(a) requires "...an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition", (Government Code 65583 (a)(2)).

Identifying and evaluating existing housing needs are a critical component of the housing element. The analysis will help local governments identify existing housing conditions that require addressing and households with housing cost burdens or unmet housing needs.

An adequate analysis of these characteristics should include a quantification of the total number of persons, households or units; a quantification and qualitative description of the need; and identification of potential solutions and resources to address the need. Where a serious unmet housing need is identified, program alternatives and responses should be provided.

Where available, information on tenure characteristics (owner versus renter) should be included. Tenure information is important because it affects the nature of housing problems encountered, as well as the types of programs or resources needed to address them.

I. REQUISITE ANALYSIS

Overpaying

Housing is generally the greatest single expense item for California families. Current standards measure housing cost in relation to gross household income: households spending more than 30 percent of their income, including utilities, are generally considered to be overpaying or cost burdened. Severe overpaying occurs when households pay 50 percent or more of their gross income for housing.

The impact of high housing costs falls disproportionately on extremely low-, very low-income and low- households, especially renters. While some higher-income households may choose to spend greater portions of their income for housing, the cost burden for lower-income households reflect choices limited by a lack of a sufficient supply of housing affordable to these households. In 1995, according

to the American Housing Survey, 52 percent of California's 2.5 million low-income renter households paid more than half of their income for rent. Of the State's 1.6 million very low-income renters, 72 percent paid more than half of their income for rent in 1995. According to the National Low Income Housing Coalition, low-income households in California can only afford monthly rents of up to \$827, while the fair market rent in 2006 for a two bedroom unit was \$1,189. Low-income households, who are overpaying for housing, frequently have insufficient resources for other critical essentials including food and medicine. This is a significant hardship for too many workers, families and seniors, but it also impacts local economies as money that might otherwise be spent in local stores generating sales tax revenues are being spent on housing.

An adequate analysis should:

- describe total households and identify and analyze the number of lower-income households, by tenure, paying more than 30 percent of their income for housing and the number of households who pay 50 percent or more of their gross income for housing;
- where possible, identify households most significantly impacted by cost burdens (large families, seniors, etc.); and
- identify potential resources and programs to address the need.

Data Sources:

Census 2000 Summary File 3 (SF 3):

- Renters - H73: Household income in 1999 by gross rent as a percentage of household income in 1999.
- Owners - H97: Household income in 1999 by selected monthly owner costs as a percentage of household income in 1999.

Consolidated Housing Affordability Strategy (CHAS) – see links

Sample Tables

The following are sample tables to assist in organizing critical information. The information provided in the tables should be tailored to the jurisdiction and followed by appropriate analysis. Sample tables are not intended to substitute for addressing the analytical requirements of housing element law.

Housing Cost as a Percentage of Household Income

OWNER-OCCUPIED UNITS: SF3- H97						
Income Range	Total Households	% of Total Households	0-20% of HH Income	20-29% of HH Income	30-34% of HH Income	35+% of HH Income
\$0-10,000						
\$10,000-19,999						
\$20,000-34,999						
\$35,000-49,999						
\$50,000 +						
Subtotal						
RENTER-OCCUPIED UNITS: SF3- H73						
Income Range	Total Households	% of Total Households	0-20% of HH Income	20-29% of HH Income	30-34% of HH Income	35+% of HH Income
\$0-10,000						
\$10,000-19,999						
\$20,000-34,999						
\$35,000-49,999						
\$50,000 +						
Subtotal						
TOTAL						
Source: U.S. Census, 2000 Population and Housing, Summary Tape File 3A- H73 and H97; Household Income in 1999 for specified renter-occupied housing units by gross rent as a percentage of household income, and Household Income in 1999 for specified owner-occupied units by selected monthly owner costs as a percentage of household income. Note: <u>Some households are not accounted for; therefore, figures may slightly differ for other U.S. Census estimates for Total Households.</u>						

Percentage of Low-Income Households Overpaying for Housing

Owner-Occupied Units		
Households with incomes less than 80% AMI	Paying 30% or More of HH Income	Percent
Renter-Occupied Units		
Households with incomes less than 80% AMI	Paying 30% or More of HH Income	Percent

Housing Problems for All Households CHAS Data Book

	Total Renters	Total Owners	Total Households
Household Income <=30% MFI			
% with any housing problems			
% Cost Burden >30%			
% Cost Burden >50%			
Household Income >30% to <=50% MFI			
% with any housing problems			
% Cost Burden >30%			
Household Income >50% to <=80% MFI			
% with any housing problems			
% Cost Burden >30%			

Source: State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data.

Overcrowding

The Census defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded. Overcrowding increases health and safety concerns and stresses the condition of the housing stock and infrastructure. Overcrowding is strongly related to household size, particularly for large households and especially very large households and the availability of suitably sized housing. Overcrowding impacts both owners and renters; however, renters are generally more significantly impacted. In 2000, renter households were three times more likely than owners to be overcrowded, regardless of household size.

While family size and tenure are critical determinants in overcrowding, household income also plays a strong role in the incidence of overcrowding. As a general rule, overcrowding levels tend to decrease as income rises, especially for renters (particularly for small and large families). The rate of overcrowding for very low-income households is generally nearly three times greater than households over 95 percent of the area median income. As with renters, owner households with higher incomes have lower rates of overcrowding.

Between 1980 and 1990, the percentage of overcrowded households in California nearly doubled from 6.9 percent to 12.3 percent. Census 2000 reports more than 15 percent of California households were overcrowded with overcrowding most common among low-income households, and most prevalent in renter housing. Roughly 24 percent of renter households statewide were overcrowded; in some counties, nearly a third of renter households were

overcrowded. One quarter of all overcrowded renter households contained more than one family. Of all owner and renter overcrowded households, estimates are that more than half are severely overcrowded (more than 1.5 persons per room).

An adequate analysis of overcrowding should:

- Identify and analyze the number of households by tenure type that live in overcrowded and severely overcrowded units.
- Identify potential resources and programs to address identified needs. For example, jurisdiction may develop programs and incentives to promote the development of affordable apartments with three or four bedroom. To address overcrowding for lower-income owners, a community could target a portion of their CDBG funds for rehabilitation of housing to add additional bedrooms.

Data Sources:

Census 2000 Summary File 3 (SF3):

- H20 Tenure by Occupants per Room
- HCT22 Tenure by poverty status by plumbing facilities by occupants per room.

Sample Table

The following are sample tables to assist in organizing critical information. The information provided in the tables should be tailored to the jurisdiction and followed by appropriate analysis. Sample tables are not intended to substitute for addressing the analytical requirements of housing element law.

Overcrowded Households

	Owner		Renter		Total Overcrowded	
Persons per Room	Households	Percent	Households	Percent	Households	Percent
1.00 or less						
1.01 to 1.50						
1.51 or more						
TOTAL						
% Overcrowded by Tenure						

Source: 2000 U.S. Census of Population and Housing, Summary Tape File 3A- H20 Tenure by Occupants per Room.

KEY IDEAS

II. MODEL ANALYSES

[Sample Analysis - Sample 1](#)

[Sample Analysis - Sample 2](#)

III. LINKS

[Census 2000 Summary Files](#)

[Comprehensive Housing Affordability Strategy \(CHAS\) Data](#)

[Out of Reach 2006- National Low Income Housing Coalition](#)

[Metropolitan Transportation Commission: American Community Survey 2005, San Francisco Bay Area Data Summary \(July 2007\)](#)

[State of California's FY 2005-2010 Consolidated Plan](#)

[State of California's FY 2005-2010 Consolidated Plan- Annual Plan Update FY 2007/2008](#)

[California Budget Project](#)

[Housing California](#)

[National Low Income Housing Coalition \(NLIHC\)](#)

Overcrowding and overpaying data may also be available from the Council of Governments:

[Southern California Association of Governments \(SCAG\): Existing Housing Needs by Jurisdiction](#)

- [Association of Bay Area Governments \(ABAG\)](#)
- [Association of Monterey Bay Area Governments \(AMBAG\)](#)
- [Butte County Association of Governments \(BCAG\)](#)
- [Coachella Valley Association of Governments \(CVAG\)](#)
- [Council of Fresno County Governments](#)
- [Humboldt County Association of Governments \(HCAG\)](#)

- [Kern Council of Governments \(Kern COG\)](#)
- [Kings County Association of Governments](#)
- [Mendocino Council of Governments \(MCOG\)](#)
- [Merced County Association of Governments \(MCAG\)](#)
- [Sacramento Area Council of Governments \(SACOG\)](#)
- [San Benito County Council of Governments](#)
- [San Bernardino Association of Governments \(SANBAG\)](#)
- [San Diego Association of Governments\(SANDAG\)](#)
- [San Joaquin Council of Governments \(SJCOG\)](#)
- [San Luis Obispo Council of Governments \(SLOCOG\)](#)
- [Santa Barbara County Association of Governments](#)
- [Sierra Planning Organization & Economic Development District](#)
- [Siskiyou Association of Governmental Entities](#)
- [Southern California Association of Governments \(SCAG\)](#)
- [Stanislaus Council of Governments \(Stan COG\)](#)
- [Tulare County Association of Governments \(TCAG\)](#)
- [Western Riverside Council of Governments \(WRCOG\)](#)